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31 May 1961

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CENTRAL INTELLIGENCE BULLETIN



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State Dept. review completed

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*South Korea: Constitutional and administrative actions of the South Korean regime suggest that the leadership envisages an extended period of military rule. The Supreme Council for National Reconstruction (SCNR) is planning to promulgate a new national reconstruction basic law--in effect a provisional constitution--to preserve legitimacy and continuity of the state. Foreign Minister Kim Hong-il told the American chargé on 27 May that the constitutional changes were being drafted to legalize the reforms that have been made, principally the transfer of the powers of the now dissolved National Assembly to the SCNR. The council may submit the law to a referendum to develop popular support. The council's reported plan to appoint military personnel to administrative positions at all levels of local government, including that of county chief, is almost certainly an effort toward long-term entrenchment in power.

The council has appointed Dr. Yu Chin-o, president of Korea University and principal author of the present constitution, its senior adviser on the constitutional problem.

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USSR: The shake-up in the Soviet bureaucracy which began in late 1960 and which Khrushchev accelerated this year in an effort to bolster lagging agricultural production and to purge the party and government bureaucracies of corrupt and incompetent officials shows no signs of diminishing. As a result of the current campaign and earlier attrition, the turnover in the membership of the central committee to be elected at the 22nd party congress in October will certainly be greater than occurred in 1956, when 35 percent were replaced; current indications point to a turnover of almost 50 percent. Further high-level changes are probably in the offing. The Yugoslav ambassador in Moscow claims to have information that the Soviet party central committee will meet in June and may take personnel actions at that time.

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West Germany: The announcement that the Social Democratic party (SPD) is planning a meeting of SPD Bundestag deputies in West Berlin on 6 June will probably be attacked by the bloc as an example of the type of "provocation" which makes a Berlin settlement urgent. This action is planned by SPD leaders in lieu of a plenary session of the Bundestag, which Chancellor Adenauer opposes because he feels it would increase East-West tensions and

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Turkey: The 27 May anniversary of the Turkish military coup passed without incident, and the ruling Committee of National Union (CNU) used the occasion for final Assembly approval of the new constitution, another step in the gradual return to civil government. Chief of State General Gursel has again reaffirmed the regime's intention to hold popular elections and organize the new parliament no later than October 1961. The previously reported arrests which took place in mid-May for plotting against the military regime apparently resulted from oversensitivity of a few members of the regime rather than from any serious threat to the government. Meanwhile, the trials of political prisoners from the ousted Bayar-Menderes regime, now in their eighth month, are likely to be completed by mid-July. Some of the leaders of the previous government will probably be sentenced to death. CK

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South Korean Situation

[The arrest on 28 May of 26 leading businessmen and former government officials, all of whom allegedly accumulated illegal fortunes under the Rhee and Chang Myon administrations, seems to have dispelled earlier reports that the Supreme Council for National Reconstruction (SCNR) would turn to former bureaucrats to overcome its own lack of experience in public administration, especially in economic matters.]

[In the economic field, the SCNR has announced that interest rates on private loans to farmers, which had reached 80 percent per annum recently, will be limited to 20 percent. Officials of the ministries of agriculture and forestry have requested that the US allow Seoul to control all fertilizer imports, which are financed through aid. Until the coup, almost half of such imports were handled by commercial interests.]

[The US chargé in Seoul points out that despite such announcements, it is more evident each day that the SCNR is unprepared to give direction to government economic policy and that such decisions show a lack of the close working relations with the US on which the Chang administration had relied. Moreover, in view of the SCNR's lack of professional economic competence, the new controls give more autonomy to government ministries than before, with consequent possibilities for graft, economic dislocations, and exchange-rate manipulations.]

[University students, who sparked the revolt against the Rhee government in April 1960, are divided in their attitude toward the new regime. The American Embassy reports that perhaps as many as half the students approve, with varying degrees of enthusiasm, of the government's stated aims and initial measures. The others, however, resent or are having serious second thoughts about the coup because of the loss of the academic and political freedoms won in the 1960 revolution. These students are following a line of passive resistance, as]

[exemplified in the refusal, despite SCNR pressure, of the student government at Seoul National University to organize demonstrations in support of the coup. It is likely that statements by the students will become bolder if SCNR controls are relaxed and that student resentment will mount if they are not.]

[The SCNR does not seem intent on improving relations with Japan. Former Defense Minister Kim Chong-o, who states that he is not associated with coup leaders but is in contact with key officers in the government, has advised American officials not to discuss the subject with the new regime. He claims that the younger officers in the SCNR deeply resented the way the Chang Myon government seemed to be opening the door to Japanese Diet members and business missions without a greater Japanese demonstration of "sincerity"--presumably meaning concessions.]

[In Japan, the opposition Socialists are claiming that the new government in Seoul is unconstitutional and are demanding that Tokyo denounce its commitments to the United Nations concerning Korea, oust the Korean mission in Japan, and treat the North and South Korean regimes on an equal basis.]

[Japanese Foreign Minister Kosaka has asserted to American officials that, in the absence of diplomatic recognition, the entire relationship between Japan and South Korea has depended on the UN's finding the Seoul government the legally constituted one in Korea. He emphasized the importance to his government of early assertions by the United States, by other major free world countries, and, if possible, by the UN itself that there is a basic constitutional continuity between the new government and the one recognized in the UN resolutions of 1950 and 1951.]

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